

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6441**

**BILL NUMBER: SB 326**

**NOTE PREPARED:** Jan 27, 2004

**BILL AMENDED:**

**SUBJECT:** Indoor Pyrotechnics and Fireworks.

**FIRST AUTHOR:** Sen. Simpson

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires the Fire Prevention and Building Safety Commission to adopt rules (1) for the issuance of permits for supervised public displays of fireworks; and (2) to implement a statewide code for the display of indoor pyrotechnics. The bill requires at least \$500,000 of personal injury and \$500,000 of property damage insurance coverage for a supervised display of indoor pyrotechnics under certain circumstances. It provides that (1) a violation of the rules concerning the display of indoor pyrotechnics is a Class C infraction; (2) a knowing or reckless violation of the rules that results in serious bodily injury to a person is a Class D felony; and (3) a knowing or reckless violation of the rules that results in death is a Class C felony. This bill also makes conforming changes. (The introduced version of this bill was prepared by the Public Safety Matters Evaluation Committee.)

**Effective Date:** Upon passage; July 1, 2004.

**Explanation of State Expenditures:** This bill requires the Fire Prevention and Building Safety Commission to adopt rules for the issuance of permits for supervised public displays of fireworks and to implement a statewide code for the display of indoor pyrotechnics. These provisions will increase administrative expenses for the Department of Fire and Building Services, which provides administrative support to the Commission. The Department will absorb any additional administrative expenses associated with these provisions given its current budget and resources.

This bill also provides that it is the intent of the Indiana General Assembly that a standard known as *NFPA 1126, Standard for the Use of Pyrotechnics before a Proximate Audience, 2001 Edition*, published by the National Fire Protection Association, be incorporated into the Indiana Administrative Code (IAC). The bill also voids 675 IAC 22-2.2-25(b)(1), with respect to NFPA 1126. As a result of this provision, the Legislative Services Agency, which produces the IAC, will experience additional administrative expenses; however, the

agency's budget currently provides for such administrative expenses.

*Penalty Provisions:* A Class C felony is punishable by a prison term ranging from two to eight years depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$26,825 in FY 2002. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. The average length of stay in Department of Correction (DOC) facilities for all Class C felony offenders is approximately two years.

A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. The average length of stay in DOC facilities for all Class D felony offenders is approximately ten months.

**Explanation of State Revenues:** *Penalty Provisions:* If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class C felony is \$10,000. The maximum fine for a Class D felony is \$10,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

With respect to the Class C infraction, if additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

**Explanation of Local Expenditures:** The bill requires at least \$500,000 of personal injury and \$500,000 of property damage insurance coverage for a supervised display of indoor pyrotechnics under certain circumstances. If the display is sponsored by a local unit, the local unit may be self-insured or may try to obtain the coverage which could increase local expenses. The local unit could also make the coverage an obligation of whoever is conducting the display, which is sometimes a volunteer fire department.

*Penalty Provisions:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. The average cost per day is approximately \$44.

**Explanation of Local Revenues:** *Penalty Provisions:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members. If additional judgments are entered and if the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

**State Agencies Affected:** Fire Prevention and Building Safety Commission and Department of Fire and Building Services; Office of the State Fire Marshal; Legislative Services Agency; and the Department of Correction.

**Local Agencies Affected:** Local units; trial courts, local law enforcement agencies.

**Information Sources:** Mara Synder, State Fire Marshal's Office, 233-5341; Indiana Sheriffs Association, Department of Correction.

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.